

FISCAL NOTE

SB 897 - HB 1317

March 12, 2001

SUMMARY OF BILL:

- Amends the *educational savings plan* by authorizing persons, instead of individuals, to make contributions and purchases of a tuition unit or units on behalf of a beneficiary under the Tennessee Baccalaureate Education System Trust Act. Redefines purchaser to mean the person who enters into a tuition contract for the creation and deposit of contributions to a savings account and who owns the account created.
- Authorizes the BEST program board of directors to impose restrictions on the transfer of ownership of a tuition contract.
- Provides that a tuition contract may be terminated by the purchaser in the event all funds in the contract are rolled over into another qualified state tuition program or when a purchaser, for any reason, requests such termination.
- Provides that the bill does not apply to the prepaid program.

ESTIMATED FISCAL IMPACT:

MINIMAL

Funds deposited into the educational savings plan in the BEST accounts are from private individuals. Any impact on state expenditures is estimated to be minimal.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director